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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4438
INFO RUEHAC/AMEMBASSY ASUNCION 3769
RUEHBO/AMEMBASSY BOGOTA 2283
RUEHBU/AMEMBASSY BUENOS AIRES 1284
RUEHBR/AMEMBASSY BRASILIA 0681
RUEHCV/AMEMBASSY CARACAS 1943
RUEHPE/AMEMBASSY LIMA 5957
RUEHMN/AMEMBASSY MONTEVIDEO 4224
RUEHQT/AMEMBASSY QUITO 2149
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000135

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)

SUBJECT: CHILE MEDIA REPORT - FEBRUARY 13

Leading Stories

1. Front-page news highlighted the Central Bank's decision to lower the interest rate to 4.75% (lowest in three years) and President Bachelet's meeting with Fidel Castro yesterday afternoon. Dailies also reported that private clinics failed to notify the central health authority of 104 HIV/AIDs cases, as required by law.

Bachelet Criticizes U.S Embargo in Cuba

2. In the opening of the Chile-Cuba business seminar Bachelet said: "Chile has always opposed extended discriminatory practices in trade, and in this instance, it is permanent and has acquired special urgency given today's international financial and economic crisis. What I am specifically referring to is the U.S. "blockade" against Cuba, which seriously hurts living conditions of the people of Cuba, particularly in today's crisis. Chile has always opposed the embargo and has thus expressed it in all multilateral institutions and entities in which it participates.... In the last decades Chile has promoted open, but also fair trade" (La Segunda, conservative, afternoon, circ. 33,000, 2/12; La Tercera, conservative, independent, circ. 101,000, 2/13).

Bachelet meets with Fidel Castro

3. Cuban President Raul Castro unexpectedly pulled President Bachelet from a ceremony at the Salvador Allende memorial so that she could meet with Fidel Castro. Bachelet said Fidel was in "very good health and fully informed of events taking place in Chile. He had much statistical information and was interested in hearing about Chile's economic development and exchanged views on how to expand commercial ties." Bachelet said they had had an "important dialogue" on the challenges that the region and Latin America face in the context of the international economic crisis (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 2/13).

4. Fidel dedicated his regular column "Reflexiones" to Bachelet's visit. In that column, Fidel said Bachelet "has the merit that she was elected by the majority vote of the Socialist party," adding that, "For the first time in Latin America, a leftist organization obtains the victory without the money, the weapons, or publicity of the Yankee apparatus." His words have been interpreted as a sign that Castro does not consider Ricardo Lagos -- the first socialist elected after Allende -- a true socialist. It would also show his disapproval of Lagos, who never visited Cuba or tried to establish

close ties with Havana. Castro also wrote that he and Bachelet had discussed an array of topics, including Bolivia. On that subject, he wrote that the 1879 Pacific War (where Bolivia lost the territory that gave it access to the sea) had been a "historic humiliation" for La Paz, criticized Chile's "oligarchy" for taking from Bolivian its access to the sea, and he endorsed Bolivia's hope for a passage to the Pacific (La Tercera, El Mercurio, 2/13).

¶15. Bachelet said that she and Fidel Castro had a lengthy conversation that "was positive in the exchange of ideas" and covered "how Chile sees and does things, and she also listen to Fidel's reflections." Asked about Fidel's health, Bachelet said, "Anyone who can talk for one hour and a half is doing very well. He is active as always" (La Nacion, government-owned, editorially independent, circ. 4,200, 2/13).

Cuba: Science and Business

¶16. Vivian Heyl, President of Chile's National Scientific and Technological Research Commission (Conicyt) signed an agreement with Cuba's Ministry of Science, Technology Science, and Environment for the exchange of scientists and joint work in the area of biotechnology, renewable energy and rehabilitation (La Nacion, 2/13).

¶17. Rafael Guilisasti, president of Chile's Trade and Production Confederation (CPC) and one of the several entrepreneurs with Bachelet in Cuba, said there is potential for trade with Cuba in the area of pharmaceuticals. "Its part of globalization to be able to have the widest and most open trade possible, and therefore, we will promote this area, said Guilisasti. He then dismissed any political interests in this trip. "We don't politically label any of the government's official visits or political priorities. Our agenda is very specific and we will follow it here or any other opportunity we have when the authorities invite us," he concluded (La Nacion, 2/13).

Environment

¶18. The Waterkeeper Alliance, a well-known environmental organization founded by Robert Kennedy, Jr., opened an office in the VII Region last year and has already begun opposing the AES Gener project to build a thermoelectric plant in Punta Pacoco (Que Pasa, conservative, influential newsweekly, 2/13).

Narcotics

¶19. The Investigations Police (PDI) conducted an internal investigation that led to the arrest of three of its own counternarcotics detectives working in a border unit. The three individuals are allegedly involved in the same operation for which vice-sheriff Gonzalo Araya was arrested last week. Araya was selling narcotics that had been confiscated during operations. (La Segunda, 2/12).

Human Rights/Anti-Terrorism Law

¶10. Minister of Interior Edmundo Perez Yoma said the request for asylum filed in Switzerland in favor of 11-year old Mapuche girl Relmutrya Cadin on the grounds that her family is being persecuted is "inadmissible." He said the child's family is detained for committing "common crimes," such as assaulting a prosecutor. The executive will ask the Swiss government to dismiss the asylum request (El Mercurio, 2/13).

¶11. Minister Edmundo Perez Yoma said the government will apply the Anti-terrorist Law in the case of Mapuche activist Miguel Tapia Huenulaf. The Carabineros police arrested Tapia this week and seized two of his homes. The material found at those addresses -- military gear, guns, ammunition, detonators, explosives, machine guns, and bullet-proof vests -- would show intention of forming a terrorist organization, said Perez-Yoma. The importance in this case lies in that the government has objected to applying this Anti-terrorist Law to any previous cases involving Mapuche activists (La Tercera, 2/13).